



UTAH
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Mexico Demographics/Facts

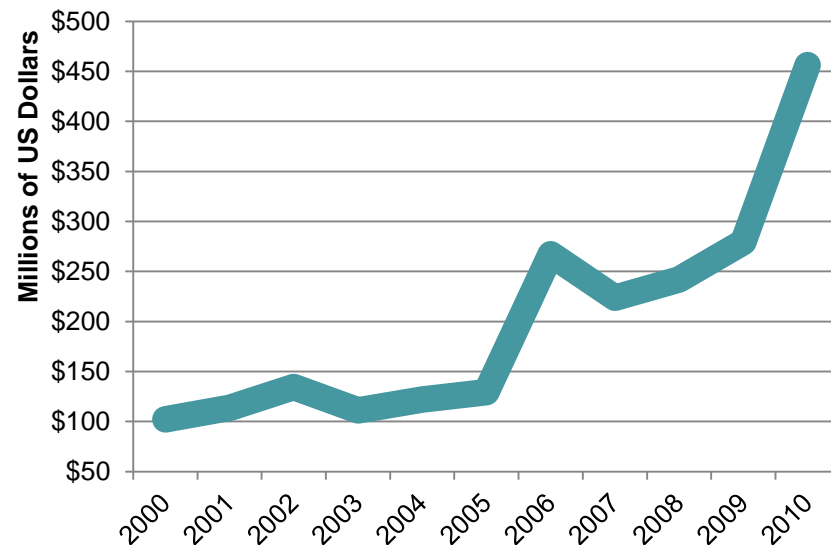
- Population: 112 million
 - Over 3 times population of Canada
 - GDP: \$1 trillion, large market
 - Average income of \$13,800/person
 - 60% of population mid-class income or higher
 - 3rd largest U.S. trade partner
 - 2nd largest U.S. export market
 - 80% of Mexico's exports went to the U.S. in 2010
- 



US/Mexico Free Trade Agreement

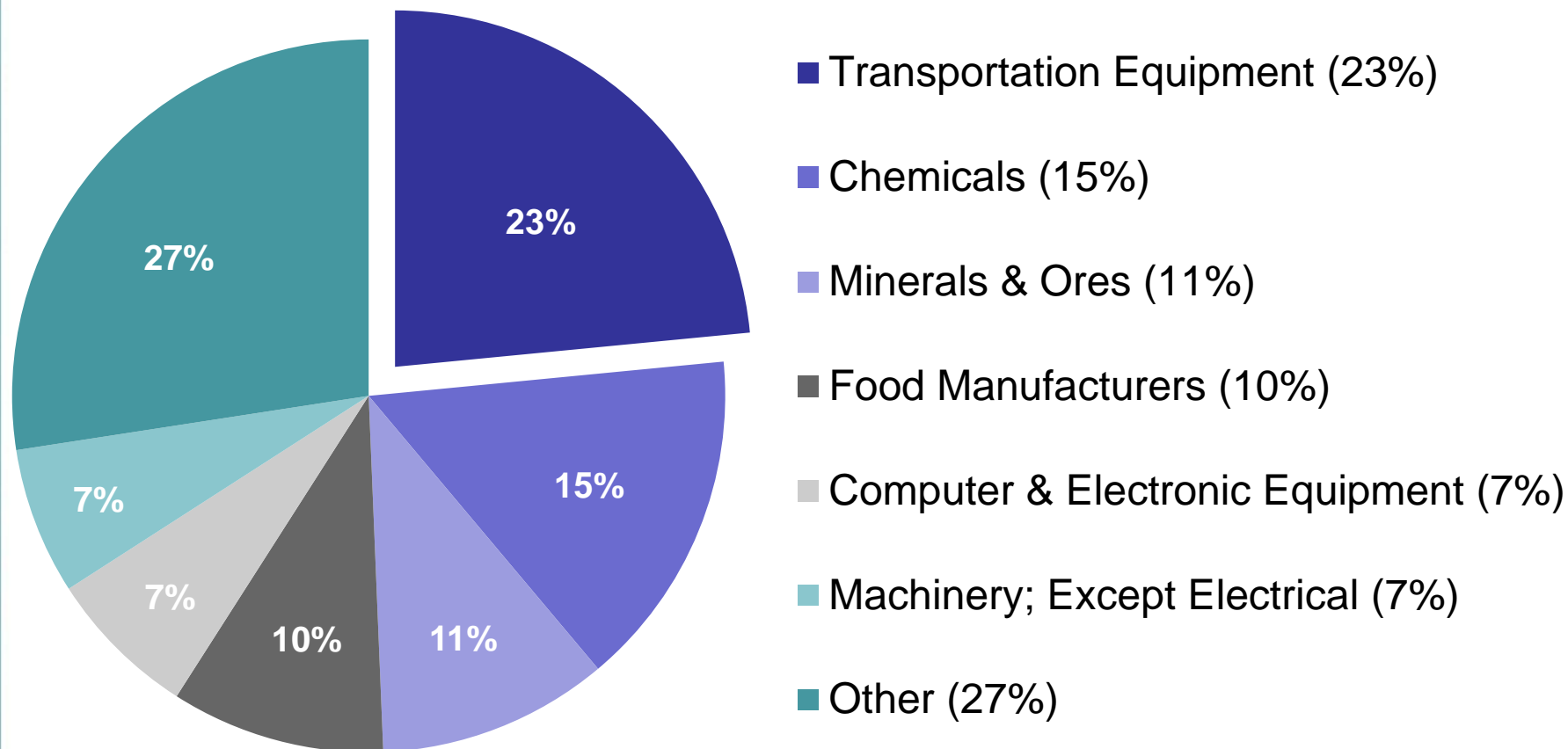
- Since implementation of NAFTA in 1994
 - US exports to Mexico quadruple
 - 1994: \$51 billion → 2011: \$198 billion
- \$1 billion of trade crosses the border ***daily***

Utah exports to Mexico more than tripled between 2000 and 2010





Top 6 Utah Exports to Mexico



Adapted from Trade Stats Express



Dynamic Markets

- Energy & Natural Resources
 - Increasing freedoms to private sector companies
 - 2008 Mexican Energy Reforms
 - Pemex (nationally owned petroleum producer) now contracts with private companies to meet energy demands.
 - CFE (Federal Energy Commission) also contracts with private companies to supply electricity.



- Increasing Opportunities
 - 20 Feb., 2012, accord with U.S. to explore deep water gulf.
 - Look for growing markets among related goods and services.



Dynamic Markets

- Software Development & IT
 - Rapid increase of internet users leads to demand for software & IT products/solutions.
 - Software application demand in: healthcare, transportation, security, manufacturing, energy, retail and financial services.
- Life Sciences
 - Increasing need for IT solutions in Mexico's healthcare institutions.
 - Electronic records, billing systems, personnel management, hands free communication, real-time databases.





Dynamic Markets

- **Defense & Security**
 - A dynamic market in Mexico: Ministry of Defense & Navy budgets totaled \$4.5 billion in 2010.
 - Needed products: personal protection, armor, alarms, CCTV, and residential security systems.
- **Government procurement: Mexican government purchases in 2009:**
 - \$23.7 billion in goods (45%), services (25%) and construction services (25%).

Large Government Purchasers:

The Secretariats of Communications, Transportation, Health, and Public Education and Mexican Petroleum (PEMEX) and the Federal Commission of Electricity (CFE)



Political Stability



- Presidential Elections to be held in July of 2012
 - Three presidential candidates – Andres Obrador, Enrique Nieto and Josefina Mota.
 - All have *business friendly* preferences

128 Senators and 500 members of Chamber of Deputies will also be voted on during the 2012 presidential elections.



- Market Entry
 - Relationships and friendships with your clients *and* partners key
 - **Preferred:** telephone & face-to-face meetings
 - Email widely used
 - Joint ventures common 1st strategy of US business
 - U.S. Commercial Service can conduct background checks on potential partners.
- Distributor/Agent
 - Almost always necessary
 - Reach remote locations
 - Market to ideal consumers/purchasers
 - You need more than one
 - To serve all needs/regions
 - Avoid exclusive national agreements

